

CONSULTANTS, CONTRACTORS, LOCALS A Panel Discussion

Moderator: Jim Youngquist, Director
Kentucky Association of District Directors

PANELISTS

Local Government: Russell Sights, City Manager, City of Henderson

The Honorable Mike Miller, President,
Kentucky County Judge/Executive Association

Consultants: James Parsons, Executive Director
Consulting Engineers Council

E.B. (Bas) Gaither, Chairman
Committee on Transportation
Consulting Engineers Council

Lewis N. Melton, PE
Vaughn & Melton Engineers-Architects

Contractors: Dean Blake, Executive Director
PlantMix Asphalt
Industry of Kentucky, Inc.

Henry Hinkle, President
Hinkle Contracting Corporation

James D. Scott, President
Scotty's Contracting, Inc.

INTRODUCTIONS

Jim Youngquist:

Russell Sights is currently the City Manager of Henderson and serves on the Advisory Board of the Kentucky Transportation Center. He holds a Bachelor of Science Degree from UK in Business Administration.

Judge Mike Miller is serving in his fourth term as Marshall County Judge Executive. He's the current President of the Kentucky Association of County Officials. He is past President of the Kentucky Judges Association. He's also a member of the Purchase Area Development District Board of Directors.

For the last three and a half years Dean Blake has served as Executive Director of the Plant & Asphalt Industry of Kentucky. He is a graduate of Virginia Tech. He spent fifteen years with the West Virginia Department of Highways. During that time, he served five years as the Deputy Commissioner of the Department of Highways and he also has served eight years as the Executive Director of the Highway Industry Association.

Jim Parsons is the Executive Director of the Consulting Engineering Council. Jim holds both his bachelor's and master's degrees from the University of Kentucky. He's had eleven years of experience in dealing with mayors and city issues. He has worked with the Conference of Mayors in Washington.

EXCERPTS FROM...

Russell Sights

A major part of our job, whether we're city managers, county judges, or road engineers, is to implement capital improvement projects. I'm not an engineer and I'm not a lawyer; however, I require engineering advice and/or legal advice everyday. I find from my experience as an ADD Director and as City Manager that there's a tendency for local governments to try to cut expenses to have enough money available to get a project done. Too many times local officials cut the wrong expenses, like engineering. I think it's unfortunate when I hear a mayor or county judge tell me that he doesn't need an engineer to do a project for him when he's got a county road foreman who's been there for forty years who knows more about roads than any engineer just out of college.

What we're talking about here, and the reason we're having this panel today, is education. Educating local officials, whether they are city managers, or mayors, or county judges, is crucial to Kentuckians. Local officials need to know when to use an engineer. They need to know when to contract a service out rather than trying to do it with their own crews and equipment.

Judge Mike Miller

Certainly, county governments in the Commonwealth of Kentucky today are in a financial dilemma. I don't think you can pick up your newspapers without reading about some of the counties throughout our great Commonwealth that have financial problems. The loss of revenue sharing and the loss of a lot of our grants that we enjoyed for many years have hurt Kentucky. Coupled with that is the increase in federal and state mandates that are placed upon county governments to provide specific services. Many times these mandates are placed upon us without any money in which to carry them out.

In the past, there has been good communication between the local governments, consultants and contractors. The institution of marriage is based on trust and understanding and that's the relationship we support with our contractors and consultants. I look forward to sharing ideas today with our contractors and consultants.

Dean Blake

I would like to introduce our contractors on the panel today. Jim Scott is President of Scotty's Contracting, out of Bowling Green. Scotty is a member of the Kentucky Highway Association Contractors' Board of Directors. He is a past president of The PlantMix Asphalt Industry.

Henry Hinkle owns Hinkle Contracting Corporation based in Paris. It's a highway construction and agri-producing firm. Henry is a past president of the PlantMix Asphalt Industry, and he was recently elected to the Board of Directors in the Kentucky Association of Highway Contractors

We in the asphalt industry are very much aware of local governments' efforts and inputs with the gas tax; and we're very thankful for that, and appreciative of your

support and work for the gas tax which benefits us all. Every motorist in the State of Kentucky owes the local governments thanks for their hard work and efforts.

With some of the city, state, and local governments, we do have some differences of opinion from time to time. We are making a concerted effort in our industry to try and improve relationships. We're working very hard to try to embark on a series of programs to improve relationships and also to share educational opportunities on how to improve the product. We do feel that we have a number of ideas and talents available in our companies that can be beneficial to city and county governments. We certainly understand locals' concerns about the revenue situation. We would like to offer to work with locals to search for some sources of revenues for locals to battle those problems they face.

The devastation of the loss of federal revenue sharing is really a serious matter. There has been a lot of publicity about the use of road fund money by counties. We want locals to understand that we understand that that has been blown out of proportion. We are aware of efforts to try to correct some situations that might lead to some areas of abuse of road funds. Again we pledge to work with locals and try to come up with some answers and solutions to that particular problem. I'd like to mention three areas where I think we can be of some help.

One area deals with utilization of the best and latest technology in our field. We're very proud that recently at the University of Auburn, we established a National Center for Asphalt Technology. Our industry is financing that particular program, and our whole effort is aimed at improving our pavement product with the best available technology. We have the capability within our companies, and within our associations, to offer seminars and training programs on how to get the best use out of pavement products. We want to make sure that locals understand that we're available to help in that area.

The second area is equipment. We have many companies that have a lot of equipment all over the State of Kentucky, and a lot of it is under-utilized. We think that if locals have the kind of relationship with contractors that we think should exist, the purchase of equipment may be an unnecessary expense. In most cases, equipment purchases are duplicated, because equipment is available in the contracting sector and the private sector. We may be able to provide locals with skilled operators operating some of the equipment. I had a discussion with one of the counties about a purchase of a paving machine that cost \$85,000 plus the salary of the operator and the maintenance cost. We believe that money could have been spent more efficiently. We'd like to explore that possibility with as many county and city officials as possible.

We also are strong believers in free enterprise. We believe that the government sector should not compete with the private sector for products and services. Many business associations believe in this. We firmly believe that if local governments would evaluate the costs and the possible results of construction projects many times the private sector would come out on top in terms of dollars and efficiency. However, sometimes it doesn't happen that way. We would like to encourage locals to at least weigh the alternatives and evaluate which is best. Maybe we can save some money for locals and do a good job for them.

Finally, I think that we need to expand our communication role. We need better communications. The construction contractors and consultants of the private sector are Kentucky-based operations. They live in the communities that locals govern. They want to see a better Kentucky. We all want to see a better Kentucky. We would like to take the opportunity to work with locals in every way possible.

Contractors don't want to get involved in the government; however, I think that's something that we should do. We should get involved with our cities and counties during the entire election process. We need to try to convince all Kentuckians to vote for and to elect a good county judge.

My company believes in education. In Kentucky's rural areas most county judges have been farmers all of their lives. There's nothing wrong with being a farmer. However, farmers are not usually involved in building roads. When farmers move into road construction, I think, as a contractor, we need to establish working relationships with them and our consultants. We attempt to help the farmer/county judge any way we can. We hold seminars. We invite the county judges, city engineers, county engineers, and talk to them about our products, what we can do, what we have, and what we want them to do.

We have labs and there's one central lab in Elizabethtown which performs all of the tests for our mixes. We have labs at our asphalt plants with technicians available to show potential consumers that we are putting out a quality product. It devastates me when locals build a road and someone drives down the road and says, "That county judge and Scotty got together, and isn't that a terrible road." I want them to ride down that road and say, "Hey, isn't that a nice road? Look where our tax money is going." We all need to work together and try to put out a quality product. That's the reason we have the seminars. We need to coordinate all of our businesses so that we can get the best for us and the best for the county officials.

I think many counties go out and buy a piece of equipment, and they make investments of \$50,000, \$60,000, and sometimes \$100,000. I think counties need to account for why they purchased that piece of equipment. They've invested \$100,000 dollars and they won't use that equipment three times a year. As a contractor, I couldn't afford to spend \$100,000 for equipment and use it only three times a year. When we buy, we must have a Utilization of Equipment Report. If we purchase a piece of equipment, we must use it a certain number of hours a year, or we must sell it. We can't keep it because parts and maintenance are too expensive. We'll go out and just rent that piece of equipment we need for a short time. I think that's what counties and cities need to look at. I think that they could be putting that money out on a road, or bridge, or something to help the taxpayers. Sometimes counties don't hire consultants; they employ their county road foreman, but he's not accustomed to drawing up a set of plans. I think counties need to hire someone who is qualified to construct bridges and roads. Only then can we all strengthen our industry and make Kentucky a better place in which to live.

Henry Hinkle

I think its proper to put into perspective what contractors can and cannot do for locals. Local highway contractors might not help locals with certain things but may help locals with other problems. I hope that what the county and city governments most want from their local contractors is service when they need it and quality products at a fair price. I think that the misgivings that exist are natural. I think that as a result of both parties not doing their utmost to find out what each expects from the other cause their misgivings to naturally exist.

I urge the county officials to try to utilize their local contractors initially as a sounding board, to get their ideas on what they think needs to be done to help to develop their county road fund. I'm not trying to take anything away from the consultants, but there are problems that someone with an engineering background could give advise on and it might even be free advise. There is also a need for

programs that locals can understand. I think we encounter too many unclear specifications when the counties or cities ask for bids. Normally, a bid will consist of a list of items that says, "We'd like bids on rock, blacktop, pipe, and oil." It's only a list of items. The locals do not specify what they want to do with these items.

We've had situations with certain counties in the past, in which we bid oil by the gallon, and then we were given a contract to use that oil for chip sealing. The chip sealing was subsequently done at the same specifications that the State Highway Department would use in their chip sealing. I think that the clarity and the specifications are major items. I think the local governments expect to get more for their money than what is possible under current market conditions. Chip sealing is just one cost-effective method of a pavement management program, unless one considers just placing stone. If locals do that, they may realize what it's going to cost them. Probably the initial cost is cheaper. However, the maintenance down the road is going to be greater. It's going to require more maintenance on a three- or four-year cycle, as opposed to another type of pavement. For newly-elected judges, the pressures are great on the dollars that are available to be used in the road fund. I would urge that locals develop a program that both locals and local contractors understand. I think then that locals will get responsive bids and, that if proper specifications for the work are used, locals will be satisfied with the work they get. If we do work for a county or city, whether they specify it or not, we're going to bid using the State Highway Department specifications on the materials.

Locals will have times when they get an inexperienced contractor. I understand that local officials are not always satisfied with the work they receive from their local contractor. I think that's regrettable. This certainly creates a bad impression with the motoring public and the taxpayers whose dollars are being spent.

Jim Parsons

I work for the Kentucky Society of Professional Engineers as well as the Consulting Engineers Council of Kentucky. Both are pleased to support and take part in this conference. Clyde Coe is President of the Consulting Engineer's Council of Kentucky and Charlie Scroggin is President of the Kentucky Society of Professional Engineers. Bas Gaither is a partner and general manager of the American Engineering Company, a consulting firm in Lexington. While their home office is here, they also have offices in Chicago, Houston, and Richmond. Bas is currently Chairman of the Board of Directors of Kentuckians for Better Transportation. He's also Chairman of the Transportation Committee of the Consulting Engineers Council of Kentucky. He's a member of both the National and Kentucky Societies of Professional Engineers. He's a former employee of the Transportation Department in Frankfort. He served in various positions with the Department of Transportation, as well as serving as the State Transportation Planning and Programming Engineer.

Nick Melton and Bobby Vaughn are the principal founders of a consulting firm established twenty years ago. Vaughn & Melton, Engineers-Architects, has offices in Kentucky, Tennessee, and North Carolina. Nick is completing his eighth and last year as a member of the Kentucky State Board of Registration for Professional Engineers and Land Surveyors. As a member of that board, he has been active in the National Council of Engineering Examiners serving on several committees. He is also a member of the Kentucky and National Societies of Professional Engineers, the Kentuckians for Better Transportation, and Middlesboro Chamber of Commerce. He is a graduate of the University of Kentucky.

Locating the best available consulting engineer and negotiating the best possible compensation requires hours of research, organization, evaluation, and responsible decision making. With capital projects one should not search for the cheapest design

job. Rather the goal of most procurement officials is total value. This occurs when the most competent firm engaged for a fair and equitable cost develops a project design or study which serves the client's best interests in construction and lifecycle cost. There is no simple formula for selecting design professionals. They offer a service which is definable only on the broadest terms: technical evaluation, aesthetic judgment, concern for overall budget, adherence to time schedules, and creativity. The quality of a firm's performance on future work can be effectively forecasted by examining its past performance records and discussing the firm's approach to the project at hand. Effective consulting engineer procurement requires that both the client and the design team understand the needs, contributions, and expectations of the other. Each must be prepared to invest a great deal of time and effort communicating ideas and concepts necessary for a successful end project.

The Consulting Engineers Council of Kentucky can help local governments with their transportation efforts. Bas Gaither will explain what consultant services can include. Nick Melton will explain the considerations locals make in recruiting and selecting a consulting engineer. The resources of Consulting Engineers Council of Kentucky and the Kentucky Society of Professional Engineers can help locals with the procurement of professional engineering services. The few hundred Directories of Consulting Engineer Firms in Kentucky that are members of the Consulting Engineers Council are the very best firms in Kentucky. They take the time and expend their resources in order to belong to an association that is committed to the betterment of the consulting profession. They want to maintain the high standards of business practices among the firms who do business in our state and are committed to the protection of the consulting firm's business interest.

I'm here to help local governments with the processes they go through in making local decisions to the extent that I can. If locals call me and ask for a certain engineer, I won't recommend only one. I'll give them a list of engineers who we feel are qualified, and who are registered in the area of work that locals are interested in. We'll give locals a list of several but we won't give locals a list of one. We would be delighted anytime to assist any local elected official, or local appointed official, with the carrying out of their duties and responsibilities in trying to build and maintain an adequate transportation system in their area.

E.B. Gaither

Presently, there are various aspects that the consultant can fulfill within the role of helping local governments with their transportation system. The first thing that locals need is an inventory and an inspection of facilities. Locals could conduct both of those simultaneously if they do not have an inventory. The inspection should include bridges, ditches, pavement, fill slopes, and equipment. The inspection should consider not only the structural aspects, but the functional and operational aspects.

Some counties have the opinion that existing structures of a certain size can be replaced with structures of the same size. However, if counties have low revenues, there are a lot of places where they could go in and replace small bridges with improved inlets and cross culverts. The inspection should not only be addressed to the structural aspect of all the facilities, but also the functional and safety aspects of them. The safety aspect could in all probability save locals some liability problems later on. Then after locals have completed the inspection and the inventory, consultants may be able to help locals develop a transportation program.

Programs should have funds available which are acceptable to the budgets of local governments. The very minimum that consultants could do for locals would be to develop a program that maintained the status quo. Consultants could develop the program with various options having cost estimates for each options. Such a program

would take locals' existing conditions and keep the same. Consultants may go further and project what it would cost for reconstruction or rehabilitation, or for new facilities. As consultants help locals develop the program, they should keep in mind the funding capabilities.

Nationally, consultants can develop sophisticated plans. However, consultants can also get locals some very simple bid documents or specifications for paving. Sometimes locals can open up a bid and they are very meek when they actually tell contractors what they want. Locals know what they want, but locals don't realize that there are some different specifications that contractors need to ensure that the public gets what it wants. The consultant can also advise locals on whether they need a simple fee title or just a consent and release form from property owners to do certain things. I would suggest that consultants assist locals in an inspection of the project being constructed. It's not that a contractor wouldn't construct it just right, but this is just to give locals some advice, and make locals feel better that everything is being done exactly according to the plans and specifications.

I suggest that consultants also should look at locals' maintenance needs about once a year. They should go over maintenance needs with locals and go over locals' maintenance forms. Most often maintenance is the key to the expenditure funds on whether it's going to last or not. I've noticed that locals will go in and put a new pavement down and a year later a joint falls off of a cross strand, and they have a hole there. Nobody looked inside the pipe to see if the thing was structurally sound or whether it was functionally operative or whether it was leaking. Locals need to have a good road bed before they do anything. I think consultants can advise locals as to whether or not they ought to lay pavement down. Consultants could advise locals to take their money and first get a good road bed and drainage system before they spend any money on pavement.

Lewis N. Melton

Jim mentioned that I am a member of the Kentucky State Board of Registration. I feel locals should make use of professional engineering services. I will define what a professional engineer is. The Statutes of the Commonwealth of Kentucky recognize only one engineer. That is an engineer that is duly licensed and registered by the Kentucky State Board of Registration. To become registered requires education, experience, and examination. These three steps in registration are to assure that that person has the knowledge, the background, and the training necessary to provide those services.

A consulting engineer is simply a registered professional engineer who offers his services to the public. He can work for a number of clients. We may find that a consulting engineer is a practitioner who offers services only in one area of expertise. We also have consulting firms that are a collection of many engineers who offer the complete services that may be required on a very large complicated project. Most of the consulting firms in the Commonwealth are collections of engineers that offer a variety of services. We have many engineers in public service in Kentucky as well.

Most of the small counties and small cities cannot afford a staff engineer. The necessary equipment and allocation of space with additional staff persons needed to utilize a professional engineer is prohibitive to the small counties and cities. They just don't have that much work to adequately employ an engineer on a full time basis. Many of the smaller counties and cities must turn to a consulting engineer to provide them with the necessary services for specific programs.

To acquire consulting engineers, locals need to hire someone with a special expertise. Locals should go out and advertise their need. Locals need a special person to fulfill a special staff position. Locals should ask engineers to mail an application

with resume stating their qualifications for the job and covering their specific areas of expertise. The resumes/applications would be viewed by individuals or a committee responsible for hiring consulting engineers. Once locals have reviewed all applications, they should probably pick two, three, or four people who are best qualified. Locals should ask engineers to come in and sit down and talk about the job to enable them to learn more about the job to be performed. Locals would get to meet the engineers, look at them face to face, and select the best applicant for that position. Finally the locals would sit down and make an offer of employment to one engineer. The locals and the consulting engineer would negotiate the salary and other terms of employment which would be established with an employment contract.

Many believe that the counties or cities acquire engineering services that must be bid upon. I don't think that is true. The best way to hire consulting engineers is to employ them in the same fashion that locals would other individuals. Let your needs be known and the engineers will flock to your doors. They will tell the locals what they are able to do. If locals will take a look at those engineers and examine their qualifications they will be able to identify two, three, or four firms that could adequately fulfill their needs. Then, when locals sit down and discuss employment with each engineer, they can gain confidence and obtain more detailed information from the engineers as they explain the projects in further detail, enabling the locals to select the best consulting engineer. At that time, locals could sit down and negotiate the terms under which engineers would work. It's a simple process. It sounds somewhat complicated, and it does take some time to identify the proper engineer to hire.

One of the contractors said, "A project is not the engineer's responsibility, it's not the contractor's responsibility, and it's not the local government's responsibility." But once you have that team together, it's a team effort to give you the best project for the least dollar. The Kentucky Procurement Code KRS45A, which the state government uses in acquiring all their services and supplies, requires that a special session on acquiring special engineering and architectural services be held each year.

Further, the Kentucky Transportation Cabinet has developed a Procurement Manual that explains in detail how they go about their selection process. I'm sure this information can be made available to all locals interested in the procurement process. Locals may find the KRS through their local attorneys and get some guidance from there.

Jim Parsons' door is always open to discuss with locals on an individual basis their particular needs and how they might fulfill those needs. Mr. Parsons can provide helpful hints for the locals on how to find a consulting engineer.

I am one of the people on this panel that comes from a rural area in southeastern Kentucky. We have tremendous funding problems down there. I certainly have a great deal of sympathy for the county judges and the mayors in trying to solve those problems. I think in most of the rural areas an engineer is willing to sit down and spend some of his time in public service to discuss with locals their total program. Engineers will aid locals in looking at ways that may help solve some of their problems. I think the engineering profession as a whole would be willing to donate some of its time to assist locals, strictly in the consulting role. They would be talking with locals about their program and some of the problems that they have.

CLOSING COMMENTS FROM...

Judge Miller

Several years ago I told Floyd Poore, the former Secretary of Transportation that, "You can talk about education, and you can talk about social programs. You can talk

about the need for good health departments and good senior citizens programs. But the road that runs in front of their house is the most important thing in the minds of those people day in and day out, particularly if there is a pothole in that road."

I have the best district highway office in the Commonwealth of Kentucky because I get the advice, the help, and all of the expertise I need from my district office. Those locals that are not using their district office should do so, because the district offices will work with locals on a personal basis. I can't emphasize enough the need to have a good rapport with your district office.

Russell Sights

I've heard two or three comments made in different sessions here the last two days about the breakdown of communication between the local officials, contractors, and engineers. I hear criticisms of contractors saying that the specifications they receive to prepare a bed by are incomplete. Contractors can't give their best price, or their best product if they are dealing with incomplete specifications. If a contractor has got a problem, he needs to let somebody know about that problem, rather than talking about it down at the coffee shop. We may be the last people to hear about the problem. However, it's all over town about the inferior job that was done for the city, or the inferior job that was done for the county. It's better that we communicate on these kinds of issues and know what's going on so we can solve these kinds of problems together.